

NONDEPARTMENTAL



Overview

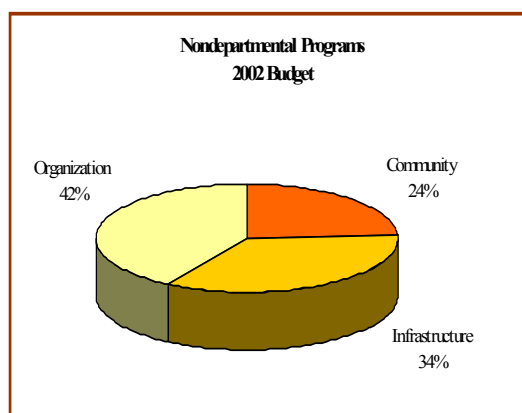
The Nondepartmental budget consists primarily of General Fund expenditures for programs not assigned to a specific department, due to the nature of the expenditure. Some programs generate revenues that directly offset expenditures, however most do not.

Finance and Operations

Financed primarily from the General Fund, the budget continues programs established in prior years. The nature of programming falls into three basic categories.

- Support of infrastructure with funding for economic development, bike paths, and reforestation
- Support of community boards and commissions, community education and information, and management interns
- Investment in the City organization with funding for employee training, memberships to professional organizations, microfilming, and office automation

INFRASTRUCTURE SUPPORT. Each year \$15,000 is provided for bicycle programs to print bike path maps, fund youth safety programs, and fund minor maintenance and repairs on bike paths. Revenues from bicycle license fees defray costs associated with bicycle programs activities. Unexpended funds are deposited into a project account at year-end to accumulate for more substantial projects.



The City's participation in economic development is continued with a \$300,000 annual contribution to the Financial Projects Trust Fund. The fund finances activities that explore initiatives projecting benefits to the community and finances activities that sustain the economic assets of the city.

Past budgets have dedicated \$300,000 annually to urban reforestation. Beginning in 2002, the allocation has been increased to \$400,000. The funds are used to replace significant tree losses due to natural disasters, disease, or aging tree populations. Unexpended funds remaining after the planting season are reserved to take advantage of future planting opportunities.

New in the 2001 Revised Budget is a one time \$100,000 allocation for the iDon't Trash Wichita campaign, a program that is directed towards litter prevention and control.

COMMUNITY SUPPORT. City Manager and General Government provide oversight over several programs. The Cable TV Broadcasting of City Council meetings and workshops, the iAsk City Hall, the iCity Beat programs and various public service offerings are funded with a 2002 budget of \$70,000. Community Relations and Information includes \$85,800 annually to support activities related to community services, facilities, functions, and courtesies associated with community information.

Beginning in 2002, \$25,000 is available for one-time projects proposed by the District Advisory Boards. Projects are subject to approval and must meet project criteria, which are currently under development.



Bi-annual election expenses included are \$40,000 annually. Funding for support of the numerous boards, commissions, and task forces that contribute advisory services to City management is continued at \$5,500 annually. Finally, the City provides opportunities for four students of public administration to serve as management interns funded from a combination of Wichita State University mill levy funds, the Water Utility Fund, and the General Fund. The internship program offers students valuable experience in public administration and provides the City with equally valuable service.

ORGANIZATIONAL INVESTMENT. To training and up-to-date industry information, and to provide City invests continually in training, memberships in professional organizations, and research and development. The 2002 budget includes \$350,000 for such purposes. The funds are used to improve the job skills of employees at all levels, including multi-lingual information, which specifically has a budget of \$20,000.

The City maintains membership in regional, state and national municipal organizations, as well as information service organizations. The National League of Cities, U.S. Conference of Mayors, Public Technology Inc., International City Manager's Association, and the League of Kansas Municipalities are some of the professional group memberships funded with this allocation.

Maintaining current technology and office automation tools is a continuous upgrade process. A budget of \$175,720 is provided to continue the implementation of MapWise, the geographic information tool, and increase Internet access. The Internet is increasingly the medium by which all levels of government and professional associations collect and distribute information, making it an operating necessity for many employees.

Microfilming funds are continued to minimize paper storage costs. Resources are directed to areas that generate large volumes of paper records, have frequent need of retrieval, and have subsequent significant storage requirements. A budget of \$30,000 is provided annually to continue the microfilming effort.

Research and development funds finance unique and one-time research projects, as well as the operating expenses of the IDEA Center. \$75,000 is included each year to fund organizational transformation projects and \$35,000 to conduct audits of the franchise agreements and fee remittance to the City.

Nondepartmental Budget Summary

	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
Personal Services	84,462	130,814	89,060	28,000	28,000
Contractuals	572,107	787,890	775,120	1,022,210	1,061,190
Commodities	42,551	31,000	56,000	42,000	42,800
Capital Outlay	11,714	0	38,000	0	0
Other	1,071,530	1,249,950	888,500	943,500	946,000
Total Operating Expenditures	1,782,364	2,199,654	1,846,680	2,035,710	2,077,990
WSU Management Trainee Trust Fund	84,352	130,814	89,060	0	0
General Fund Expenditures	1,698,012	2,068,840	1,657,620	2,035,710	2,079,060
Full time positions	4	4	4	4	4
Total FTE positions	4	4	4	4	4

TOURISM & CONVENTION

The mission of the Tourism and Convention Fund is to support and promote tourism and convention activity in Wichita.



Overview

The Tourism and Convention Fund, financed through a six percent transient guest tax on hotel and motel rooms in Wichita, provides monies to support tourism and convention infrastructure and promotion in the City. Guest tax funds are governed by the provisions of Charter Ordinance No. 91 authorizing funding of convention and tourism activities and operation or maintenance of Century II.

During the last year, the Mayor's Tourism Task Force has been studying the City's potential to attract tourism to Wichita. The result of the consultant's report is a landmark tourism initiative, which includes specific financing for tourism market research and coordination of funding for the Wichita Tourism and Convention Bureau's website: www.wichita-cvb.org.

Finance and Operations

The Tourism and Convention Fund finances and operations are well defined and prioritized, based on language in Charter Ordinances. Fund priorities are 1) debt service for tourism and convention facilities, 2) operational deficit subsidies, and 3) care and maintenance of Century II. Obligations connected to debt service and improvements require the major portion of the fund's capacity. Funds are also allocated to general tourism and convention promotion, primarily through the Wichita Tourism and Convention Bureau.

Recent capital investments in facilities associated with the convention center have added new debt, increasing the fund's annual expenditures. Debt service on a conference center parking facility and the new Century II and Expo Hall energy complex began in 1998. Most significantly, the City's annual debt service commitment to the East Bank conference center began in 2000. The East Bank debt service escalates to over \$1.2 million in 2005, resulting in a considerable impact on the amount of funding available for other projects. Location fees are also included in this year's budget for the Women's International Bowling Congress, scheduled to occur in 2004.

Tourism and Convention Fund Budget Summary					
	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
Total Revenue	4,218,011	4,402,970	4,707,820	5,150,630	4,448,350
Budgeted Expenditures:					
Century II/Expo Hall	2,295,570	2,695,770	2,393,720	2,396,280	2,408,560
Promotion / Convention	1,209,330	1,413,530	1,214,170	1,239,170	1,239,170
Tourism Initiative & Marketing	0	0	534,150	529,150	564,150
Delegate Agencies	168,601	175,220	0	0	0
Other	598,130	53,130	570,980	966,010	219,140
Total Expenditures	4,271,631	4,337,650	4,713,020	5,130,610	4,431,020
Fund Balance	238,238	303,558	298,358	318,378	335,708



SPECIAL ALCOHOL FUNDS

Overview

In 1979, the Kansas state legislature established a 10 percent gross receipts tax on the sale of liquor, including spirits, wine, and strong beer. Effective July 1, 1987, the drink tax applied to caterers and drinking establishments in wet counties. Revenue generated locally by this tax is distributed to the City for the purpose of providing substance abuse treatment and prevention services. Under the State law, one-third of the tax revenue is credited directly to the General Fund, one-third goes to the Special Alcohol and Drug Programs Fund, and the final third is credited to the Special Parks and Recreation Fund.

Finance and Operations

Through contracts with delegate agencies, the special alcohol funds provides treatment and intervention services for over 5,000 citizens of Wichita and Sedgwick County annually. The mix of clients served by the agencies includes 12 percent youth clients, 37 percent female clients, and 42 percent minority clients.

In 2000, the City Council authorized a contract with COMCARE to administer the Special Alcohol & Drug Programs. Administration activities include monitoring of delegate agency performance and their program budgets. Recommendations to the City Council for current and future levels of support will be based, in part, on results generated by COMCARE's ongoing process of measuring and benchmarking program outcomes, a process that began in 1998.



The Special Parks & Recreation fund supports fun activities for kids like the Arts Program.

Expenditures from the Special Parks & Recreation fund are to be made only for the purchase, establishment, maintenance, or expansion of park and recreational services, programs and facilities. The fund provides support for the following programs: Summer of Discovery, After School Playground, Grade School Night, Teen Night, Saturday Recreation, Summer Playground, Arts Program, Hoop It Up, Greater Wichita Junior Football, programs for the disabled, city-wide athletic events, free swimming, and child care. Support of qualifying programs sponsored by the Art Museum and Library may also be included.

Special Alcohol Funds Budget Summary

	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
Special Alcohol & Drug Programs					
Revenues	1,132,848	1,125,490	1,161,560	1,157,240	1,177,670
Expenditures	886,565	1,147,940	1,700,010	1,209,940	1,181,350
Fund Balance	622,595	20,072	84,145	31,445	27,765
Special Parks & Recreation					
Revenues	1,108,858	1,124,240	1,133,110	1,155,250	1,177,800
Expenditures	1,137,530	1,142,500	1,142,500	1,165,350	1,188,660
Fund Balance	53,607	30,409	44,217	34,117	23,257
Total FTE positions	0	0	0	0	0

TAX INCREMENT FINANCING



Overview

Kansas state law (KSA 12-1770) provides that costs related to the redevelopment of an area designated as blighted or a conservation area may be recovered through the use of Tax Increment Financing (TIF). The TIF mechanism dedicates the property tax revenue resulting from redevelopment (and assumed subsequent increased property values) toward repayment of the initial redevelopment cost.

The economic TIFs comprise three separate redevelopment projects: East Bank, Old Town, and 21st & Grove. Each of these projects provides TIF funding to defray the costs of infrastructure redevelopment and/or enhancements within the districts.

State law (KSA 12-1771a) allows the City to fund the cleanup of an environmentally contaminated area through the use of a special type of TIF. Environmental tax increment financing involves the restoration of property values in a contaminated area to higher, pre-contamination levels, and capture up to 20 percent of the increment of property tax produced by the valuation increase to pay cleanup costs.

TIF District #1 was established in 1991 to fund the clean-up of groundwater contamination in the Gilbert & Mosley area. At that time, the City entered into an agreement with the Kansas Department of Health and Environment (KDHE) whereby the City agreed to undertake the clean up and avoid the substantial cost and stigma associated with designation of the area as a Superfund site.

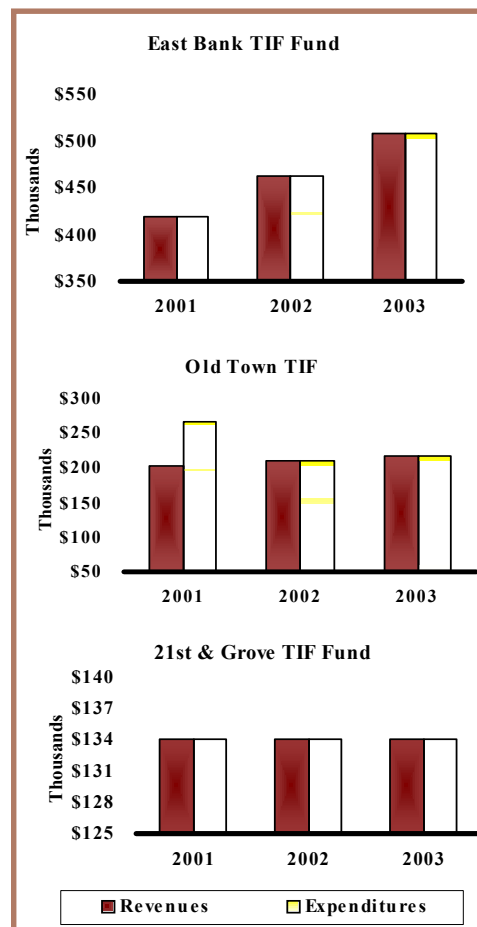
Tax Increment Financing District #2 was established in January 1996 to fund the clean-up of groundwater contamination in the North Industrial Corridor (NIC) area.

Finance and Operations

ECONOMIC DEVELOPMENT TIFs. The TIF funds are used to pay the debt service costs associated with bonds issued to finance the redevelopment costs in the districts. Redevelopment activities include: improvements to sidewalks; streets; curbs/gutters; street lighting; and other public infrastructure improvements and public amenities. The improvements help ensure that the areas remain vital components of the City's overall economic growth strategy.

The Economic Development Division of the Finance Department administers the economic TIFs. The Division assists in forecasting TIF revenue, as well as establishing the mechanism and schedule for debt repayment.

ENVIRONMENTAL TIFs. Environmental TIF expenditures include legal and project consultant fees; laboratory costs; KDHE/EPA oversight costs; testing/sampling materials; remediation capital and operational costs; debt service; and administrative costs. City staff and legal advisors continue





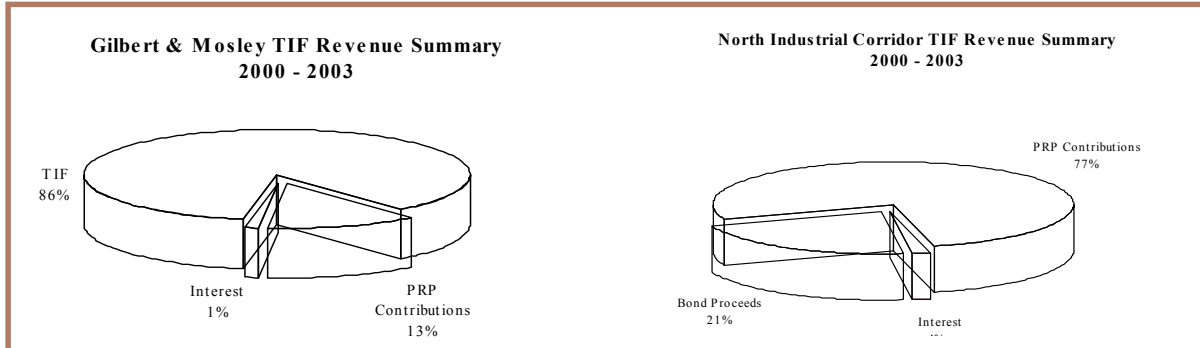
their efforts to ensure that Potentially Responsible Parties (PRP) reimburse the City for as much of the projects costs as possible.

The Gilbert & Mosley remedial design has received final KDHE approval, and construction of the contamination abatement system has begun in 2001. The remedial design approved by KDHE involves extraction and treatment of the contaminated groundwater. Additional public amenities, such as a public education facilities, are currently under consideration for the project.

Gilbert & Mosley remediation activities are not projected to be complete within the 20-year time period during which TIF funding can be legally made available. City staff are currently exploring options for addressing the statutory 20-year limitation, which could include petitioning the Kansas State Legislature for a waiver or extension of the deadline, or re-establishing the district upon its expiration.

The North Industrial Corridor TIF is in the remedial investigation phase, whereby testing and sampling is done to determine the extent of contamination. KDHE now requires that this phase should include preliminary identification of PRPs, and in this TIF, initial payment for some of the remediation costs from one PRP has already been received.

Certificates of release of liability have been issued for many of the properties within the NIC site. The releases promote fairness by ensuring that those proven not responsible for contamination in the district are not burdened with legal difficulties of proving their lack of culpability.



Tax Increment Financing Funds Budget Summary					
	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
East Bank TIF Fund Revenue	0	405,930	419,580	463,100	507,390
East Bank TIF Fund Expenditures	0	405,930	419,580	463,100	507,390
Old Town TIF Fund Revenue	254,549	198,650	204,160	210,290	216,600
Old Town TIF Fund Expenditures	192,870	198,650	265,840	210,290	216,600
21 st & Grove TIF Fund Revenue	5,198	129,660	134,020	134,020	134,020
21 st & Grove TIF Fund Expenditures	5,198	129,660	134,020	134,020	134,020
Gilbert & Mosley TIF Fund Revenue	3,757,135	6,126,040	9,446,170	7,135,730	4,675,660
Gilbert & Mosley TIF Fund Expenditures	3,811,835	6,112,080	11,471,560	7,132,850	4,653,080
NIC TIF Fund Revenue	881,050	1,257,440	1,305,420	1,355,630	1,506,250
NIC TIF Fund Expenditures	89,773	1,256,580	1,439,830	1,336,330	1,514,330
Total FTE positions	1	1	1	1	1

S.S.M.I.D



Overview

In 2000, the City Council approved the formation of a Self-Supporting Municipal Improvement District (SSMID) in downtown Wichita. The SSMID is a benefit assessment district created to improve and convey special benefits to properties located within the central business district of Wichita. The district was endorsed by a majority of downtown property owners with the stated purpose of financing improvements and services in the central business district on a supplemental basis. In other words, activities funded by the SSMID will supplement, not replace, existing downtown promotion/marketing activities.

Under State law, the district has a 10-year lifespan, with SSMID funds available beginning on January 1, 2002. After 10 years, the SSMID may be renewed by repeating the district formation process. The district currently levies an additional 7.8 mills of property tax on commercial properties located within the district to support SSMID activities; State law provides that up to 10 mills may be levied for this purpose. This additional tax revenue is dedicated solely to SSMID activities.

The SSMID is governed by the City Council. The Kansas SSMID statute allows for the creation of an advisory board to submit operating plans and budgets to the Council, and to provide assistance in policy direction for SSMID-funded activities. Voting members of the SSMID Advisory Board must be property owners and/or lessees of commercial property (or corporate designees) within the District, and must provide evidence that they pay SSMID assessments.

Finance and Operations

The goals of the SSMID include providing a strong, unified voice for the downtown area; strengthening downtown's competitiveness to attract and retain businesses; and protecting and enhancing downtown property values. Supported activities include image enhancement; marketing; business retention and recruitment; urban vitality improvements; and operational activities.

Day-to-day administration of SSMID activities will be contracted out to a separate entity; this contract will include funding for a program director hired to provide centralized oversight and direction for SSMID activities.

The 2002/2003 Budget includes a one-time appropriation of \$100,000 in the General Fund to provide start-up support for SSMID activities. This loan will be repaid over a period of four years beginning in 2002.

Self-Supporting Municipal Improvement District Fund Budget Summary					
	2000 Actual	2001 Adopted	2001 Revised	2002 Adopted	2003 Approved
SSMID Fund Revenue	0	0	0	484,690	494,390
Contracted program activities	0	0	0	459,690	469,390
Loan repayment	0	0	0	25,000	25,000
Total SSMID Fund Expenditures	0	0	0	484,690	494,390
SSMID Fund Balance	0	0	0	0	0
Total FTE positions	0	0	0	0	0



**“Wichita...
a City Achieving the Extraordinary”**